

Personnel Supply Services

(SIC 736)

SIGNIFICANT POINTS

- Personnel supply services ranks among the fastest growing industries in the Nation and among those projected to provide the most new jobs.
- The majority of temporary jobs in the industry only require graduation from high school or the equivalent; some permanent jobs, such as employment interviewer, may require a college education.
- Temporary jobs provide a short-term source of income and may offer flexible schedules.
- Although earnings in the industry vary widely, median earnings are relatively low.

Nature of the Industry

Although many people associate the personnel supply services industry with temporary employment opportunities for clerical workers, the industry provides both temporary and permanent employment to individuals with a wide variety of education and experience. Occupations in the industry range from secretary to computer analyst, and from general laborer to nurse. In addition to temporary jobs in these occupations, permanent positions in the industry include workers such as employment interviewers and marketing representatives who help assign and place workers in jobs.

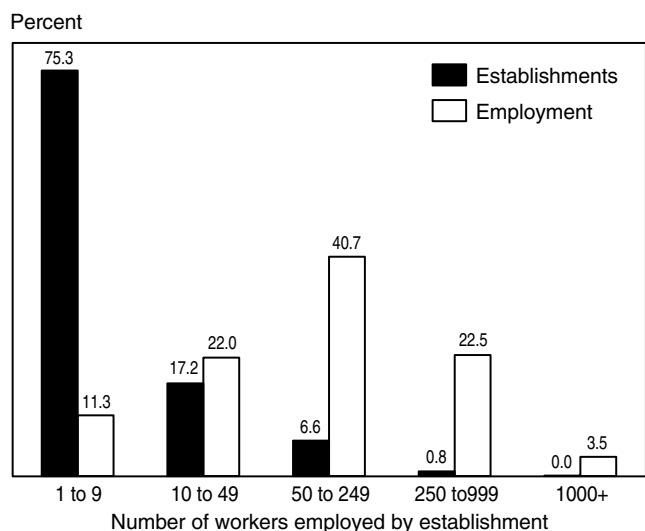
The personnel supply services industry has two distinct segments: *Employment agencies* that place permanent employees, and *help supply services*—also referred to as temporary and staffing services—that provide employees to other organizations on a contract basis. The typical employment agency has a relatively small permanent staff, usually fewer than 10 workers (see chart below), who interview jobseekers

and try to match their qualifications and skills to those being sought by employers for specific job openings.

In contrast to the smaller employment agencies, almost half of all help supply services firms employ more than 50 workers (see chart on next page). Help supply service firms provide temporary employees to other businesses to support or supplement their workforce in special situations, such as employee absences, temporary skill shortages, and varying seasonal workloads. Temporary workers are employed and paid by the help supply services firm and contracted out to a client at either a prearranged fee or an agreed hourly wage. Some companies choose to use temporary workers full time on an on-going basis rather than employ permanent staff, who typically command greater salaries and benefits. As a result, the overwhelming majority of workers in the help supply services segment of the industry are temporaries; relatively few are permanent staff.

Traditionally, firms that placed permanent employees usually dealt with highly skilled applicants, such as lawyers or accountants, and those placing temporary employees dealt with less skilled workers, such as secretaries or data entry operators. However, temporary help services firms increasingly place workers who have a range of educational backgrounds and work experience because businesses are now turning to temporary employees to fill all types of positions—from clerical to managerial, professional, and technical

Most employment agencies have fewer than 10 workers



Source: U.S. Department of Commerce, *County Business Patterns*, 1997

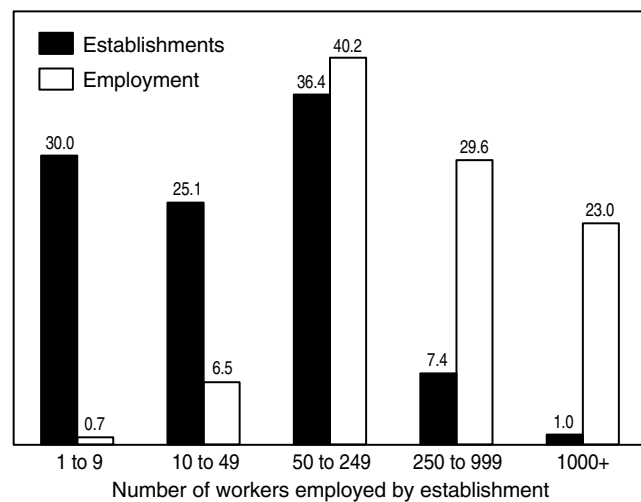
Working Conditions

The average annual work week in the personnel supply services industry was about 32.4 hours in 1998, compared to the average of 34.6 hours across all industries. The low average work week reflects the fact that a temporary employee could work 40 or more hours a week on a contract for an extended period and then take a few weeks off from work. Most full-time temporary workers put in 35-40 hours a week, while some work longer hours. Permanent employees in employment agencies usually work a standard 40-hour week, unless seasonal fluctuations require more or fewer hours.

Workers employed as permanent staff of employment agencies or help supply services firms usually work in offices and may meet numerous people daily. Temporaries work in a variety of environments and seldom stay in any one place long enough to settle into a personal workspace or establish close relationships with co-workers. Most assignments are of short

Almost half of help supply firms employ 50 or more workers

Percent



Source: U.S. Department of Commerce, *County Business Patterns*, 1997

duration because temporaries often are called in to replace a worker who is ill or on vacation or to help with a short-term surge of work. However, assignments of several weeks or longer occasionally may be offered. On each assignment, temporary employees may work for a new supervisor.

Employment as a temporary is attractive to many. The opportunity for a short-term source of income while enjoying flexible schedules and opportunities to take extended leaves of absence is well-suited to students, persons juggling job and family responsibilities, those exploring various careers, and those seeking permanent positions in a chosen career. Firms try to accommodate workers' preferences for particular days or hours of work and for frequency or duration of assignments. Temporary work assignments provide an opportunity to explore first hand a variety of different work settings and employers, to hone skills through practice, and to learn new skills. Nevertheless, many workers in temporary assignments would prefer the stability and greater benefits associated with full-time work.

The annual injury and illness rate for the entire industry was 6.1 cases for every 100 full-time workers in 1997, lower than the rate of 7.1 for the entire private sector. Temporary workers in industrial occupations often perform work that is more strenuous and potentially more dangerous, so they may have a higher rate of injury and illness.

Employment

The personnel supply services industry provided over 3.2 million jobs in 1998, over 2.9 million of them in help supply services firms. Although about 14,000 of the more than 42,000 establishments in the industry are employment agencies, help supply services firms employ over 9 out of 10 industry workers. Employment in help supply services companies has been experiencing dramatic growth, and employment projections indicate continuing rapid growth in personnel supply services.

Employment in the personnel supply services industry is distributed throughout the United States. Workers are somewhat younger than those in other industries—nearly 50 percent of personnel supply services workers are under 35, compared to

39 percent of all workers, reflecting the large number of clerical and other entry-level positions in the industry that require little formal education.

Occupations in the Industry

The personnel supply services industry encompasses many fields, from administrative support occupations to professional and production occupations (table 1). In general, occupations in the industry include the permanent staff of personnel supply service firms, and the occupations supplied as temporary help—health, office, and industrial occupations.

The permanent staff of personnel supply service agencies are responsible for the daily operation of the firm. Most permanent staff jobs require a college degree, with the exception of administrative support occupations. *Managers* ensure that the agency is run effectively, and they often conduct interviews of potential clients and jobseekers. *Employment interviewers* evaluate applicants and attempt to match them with client firms. Most employment interviewers work in the personnel supply services industry. *Marketing and sales workers* actively pursue new client firms and recruit qualified workers. Because of fierce competition among agencies, marketing and sales work at times can be quite stressful.

Health occupations generally require the most specialized training of all the temporary jobs. Many of the occupations in this segment require at least 2 or 3 years of college. *Home health aides* usually work in the home of an elderly or ill patient, allowing a patient to stay at home instead of being institutionalized. Becoming a home health aide generally does not require education beyond high school. *Nursing aides* and *orderlies* also seldom need education beyond high school, but employers do prefer previous experience. They assist nurses with patient care in hospitals and nursing homes. *Licensed practical nurses* provide basic bedside care to patients. *Registered nurses* administer medication, tend to patients, and advise patients and family members about procedures and proper care. They usually work in hospitals, but they may be assigned to private duty in patients' homes.

Office occupations in the industry may be either temporary or permanent. Experience in administrative support occupations usually is preferred for these jobs, although some persons take special training to learn skills such as bookkeeping and word processing. *Receptionists* greet visitors, field telephone calls, and perform assorted office functions. *Secretaries* perform a growing range of tasks, such as keyboarding and answering the telephone, depending on the type of firm in which they work. *Medical secretaries* make appointments and need a familiarity with common medical terms and procedures; *legal secretaries* must be familiar with the format of common legal documents. *General office clerks* file documents, type reports, and enter computer data. *File clerks* classify and store office information and records. *Data entry keyers* type information into a computer data base, either through a personal computer or directly into a mainframe computer. *Typists* and *word processors* enter and format drafts of documents using typewriters or computers. *Bookkeepers* compute, classify, and record transactions data for financial records and reports.

Finally, the share of industrial workers employed as temporaries is growing in the personnel supply services industry. These jobs seldom require education beyond high school, although related work experience may be preferred for some jobs. *Freight, stock, and material movers* move goods to and

from storage areas either in factories, warehouses, or other businesses. *Hand packers and packagers* wrap, package, inspect, and label materials manually, often keeping records of what has been packed and shipped. *Helpers* and *laborers* perform a variety of mostly unskilled tasks.

Table 1. Employment of wage and salary workers in personnel supply services by occupation, 1998 and projected change, 1998-2008

(Employment in thousands)

Occupation	1998 Employment Number	1998 Percent	1998-2008 Percent change
All occupations	3,230	100.0	43.1
Administrative support, including clerical	1,178	36.5	22.1
General office clerks	231	7.2	-10.2
Secretaries	181	5.6	20.3
Receptionists and information clerks ..	111	3.4	50.4
Data entry keyers	105	3.2	20.5
Word processors and typists	66	2.1	-5.9
Stock clerks and order fillers	56	1.7	50.6
Bookkeeping, accounting, and auditing clerks	49	1.5	22.6
File clerks	48	1.5	19.1
Office and administrative support supervisors and managers	34	1.1	46.4
Shipping, receiving, and traffic clerks ...	33	1.0	52.2
Operators, fabricators, and laborers	987	30.6	61.2
All other helpers, laborers, and material movers, hand	263	8.2	50.6
Hand workers, including assemblers and fabricators	230	7.1	51.1
Machine setters, setup operators, operators, and tenders	172	5.3	62.9
Hand packers and packagers	143	4.4	103.3
Freight, stock, and material movers, hand	98	3.0	58.7
Material moving equipment operators	39	1.2	50.6
Truck drivers	34	1.1	48.8
Precision production, craft, and repair	229	7.1	52.0
Inspectors, testers, and graders, precision	49	1.5	74.0
Mechanics, installers, and repairers	34	1.1	32.0
Blue-collar worker supervisors	31	1.0	50.6
Service	229	7.1	44.1
Personal care and home health aides	60	1.9	50.6
Janitors and housekeepers, including maids and housekeeping cleaners	47	1.4	35.5
Nursing aides, orderlies, and attendants	46	1.4	32.0
Food preparation and service occupations	40	1.2	62.7
Professional specialty	158	4.9	60.5
Registered nurses	53	1.6	35.5
Computer engineers and scientists	32	1.0	97.6
Executive, managerial, and administrative	155	4.8	36.5
Employment interviewers, private or public employment service	37	1.2	7.1
Technicians and related support	150	4.6	48.3
Engineering and science technicians and technologists	59	1.8	60.0
Marketing and sales	116	3.6	60.6
All other occupations	28	0.9	50.6

Training and Advancement

The personnel supply services industry offers opportunities in many occupations for workers with a variety of skill levels and experience. The majority of temporary jobs in the industry only require graduation from high school or the equivalent, while some permanent jobs, such as employment interviewer, may require college education. In general, the training requirements of temporary workers mirror those for permanent employees in the economy as a whole. As the industry expands to include various professional occupations, therefore, a growing number of jobs will require professional or advanced degrees.

Many help supply services firms offer skills training to newly-hired employees to make them more marketable. This training often is provided free to the temporary worker and is an economical way to acquire training in important skills such as word processing. Agency training policies vary, so persons considering temporary work should ask firms what training they offer and at what cost.

Advancement as a temporary employee usually takes the form of pay increases or greater choice of jobs. More often, temporaries transfer to full-time jobs with other employers. Turnover among temporaries within help supply firms usually is very high because few choose to work as temporaries for long; many accept offers to work full time for clients for whom they worked as temporaries. Some experienced temporaries may be offered permanent jobs with help supply firms, either as receptionists or in positions screening or training others for temporary jobs.

Permanent staff of employment agencies and help supply services firms are typically employment interviewers, administrative support workers, or managers. The qualifications required of employment interviewers depend partly on the occupations that the employment agency or help supply services firm specializes in placing. For example, agencies that place professionals, such as accountants or nurses, usually employ interviewers with college degrees in similar fields. Agencies specializing in placing administrative support workers, such as secretaries or word processors, are more likely to hire interviewers with less education who have experience in the occupations.

Although permanent staff in administrative support occupations, such as bookkeepers and receptionists, usually do not require formal education beyond high school, related work experience may be needed. Sometimes, staff experienced in administrative support occupations advance to employment interviewer positions. Employment interviewers advance to positions with higher earnings potential in which they interview persons seeking jobs with higher rates of pay. These positions often pay more because many interviewers receive a commission based on the fees paid by clients.

Most managers of employment agencies and help supply services firms have college degrees; an undergraduate degree in personnel management or a related field is the best preparation for these jobs. Employment interviewers often advance to managerial positions, but seldom without a bachelor's degree.

Earnings

In 1998, earnings among nonsupervisory workers in help supply services firms were \$10.18 per hour and \$330 per week, lower than \$12.77 an hour and \$442 a week for all private industry.

Earnings vary as widely as the range of skills and formal education among workers in personnel supply services. As in other industries, managers and professionals earn more than clerks and laborers. Also, temporaries usually earn less than workers employed as permanent staff, but some experienced temporaries make as much or more than workers in similar occupations in other industries. Earnings in the largest occupations in personnel supply services appear in table 3.

Table 3. Median hourly earnings of the largest occupations in personnel supply services, 1997

Occupation	Personnel supply services	All industries
Registered nurses	\$20.67	\$18.88
Secretaries, except medical and legal	10.32	11.00
Typists, including word processing	9.73	10.51
Receptionists and information clerks	8.35	8.69
Data entry keyers, except composing	8.11	8.91
General office clerks	8.04	9.10
Home health aides	7.74	7.75
Stock clerks-stockroom, warehouse or storage yard	7.34	8.85
Hand packers and packagers	6.43	6.90

Most permanent workers receive basic benefits; temporary workers usually do not receive such benefits unless they work a minimum number of hours or days per week to qualify for benefit plans. Only 2.8 percent of workers in personnel supply services are union members or are covered by union contracts, compared to around 15 percent of all workers in private industry.

Outlook

Personnel supply services ranks among the fastest growing industries in the Nation and among the industries projected to provide the most new jobs. Wage and salary jobs in the personnel supply services industry are expected to grow 43 percent over the 1998-2008 period, nearly 3 times the 15 percent growth projected for all industries combined. The industry is expected to gain about 1.4 million new jobs over the period.

The growth in demand for temporary employees that has fueled the rapid expansion of the industry is attributable to a number of factors. As competition has grown and businesses have sought new ways to reduce costs and make their staffing patterns more responsive to changes in demand, they have increasingly hired temporary employees to reduce the wage and

benefit costs associated with full-time employees. The demand for temporaries also has grown as many large companies discontinued their use of relatively expensive "labor pools," or in-house labor supply services. As governments and other organizations increasingly use temporary workers, demand is expected to continue increasing rapidly. This growth in demand, coupled with significant turnover in these positions, should create plentiful opportunities for persons who seek jobs as temporaries.

Employment agencies also are expected to continue growing, but not as fast as help supply services. Growth in these agencies stems from employers' increasing willingness to allow outside agencies to perform the preliminary screening of candidates and the growing acceptance of executive recruitment services.

Most new jobs will arise in the largest occupational groups in this industry—administrative support occupations and operators, fabricators, and laborers. However, the trend toward specialization also will spur rapid growth among professional workers, including engineers, as well as managers, as government increasingly contracts out management functions. In addition, growth of help supply firms specializing in accounting, legal, and information technology services will provide opportunities for other professional workers within those fields. Marketing and sales representative jobs in temporary help firms are also expected to increase along with competition among these firms for the most qualified workers and the best clients.

Sources of Additional Information

For information concerning employment in help supply services, contact:

- The American Staffing Association, 277 S. Washinton St., Suite 200, Alexandria, VA 22314.
Internet: <http://www.natss.org>

For information about employment agencies, contact:

- National Association of Personnel Services, 3133 Mt. Vernon Ave., Alexandria, VA 22305.
Internet: <http://napsweb.org>

More information about many occupations in this industry, including the following, appears in the 2000-01 *Occupational Outlook Handbook*:

- Employment interviewers, private or public employment service
- Handlers, equipment cleaners, helpers, and laborers
- Home health and personal care aides
- Office clerks, general
- Receptionists
- Secretaries